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**中國城市基礎設施集團有限公司**  
China City Infrastructure Group Limited

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2349)**

**(Stock Code: 5998)**

**INSIDE INFORMATION**

This announcement is made by China City Infrastructure Group Limited (the “**Company**”, together with the subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 23 May 2016, the Company entered into a letter of intent (the “**Letter of Intent**”) with Hong Kong Jin Hua Chang Industrial Limited (“**Hong Kong Jin Hua**”), an independent third party in relation to a proposed disposal of Hangzhou Niagra Real Estates Co., Ltd.<sup>#</sup> (“**the Project Company**”), an indirect wholly-owned subsidiary of the Company (the “**Proposed Transaction**”). The terms and conditions of the Proposed Transaction will be subject to arm’s length negotiations between the parties to the Letter of Intent (the “**Parties**”) and as at the date of this announcement, the terms and conditions of the Proposed Transaction have not been fixed or agreed yet.

To the best knowledge of the directors of the Company, having made all reasonable enquiries, Hong Kong Jin Hua and its ultimate beneficial owner(s) are third parties that are independent from the Company and from the connected persons (as defined under the Listing Rules) of the Company.

The Letter of Intent is intended to record certain understanding in principle agreed between the parties in relation to the Proposed Transaction and is not legally binding.

Pursuant to the Letter of Intent, the Parties will procure the entering into of binding and definitive agreement(s) to set out the specific details, subject to the due diligence process and results, compliance with the Listing Rules and compliance with the terms and condition in the senior notes issued by the Company.

The Board wishes to emphasize that the Letter of Intent is not legally binding and the Proposed Transaction contemplated thereunder may or may not proceed. If the Proposed Transaction contemplated under the Letter of Intent is materialised, it may constitute a

notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

Further announcement will be made by the Company as and when appropriate in accordance with the Listing Rules.

*# The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By order of the Board  
**China City Infrastructure Group Limited**  
**Li Chao Bo**  
*Chairman*

Hong Kong, 23 May 2016

*As at the date of this announcement, the Directors of the Company are Mr. Li Chao Bo (Chairman), Ms. Wang Wenxia (Vice Chairman and Chief Executive Officer) and Mr. Ren Qian as Executive Directors; Mr. Zhou Kun as Non-executive Director; and Mr. Chan Pok Hiu, Mr. Wong Chi Ming and Mr. Wang Jian as Independent Non-executive Directors.*